

**TOWN OF DAVIE  
TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**PREPARED BY:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**SUBJECT:** Resolution

**AFFECTED DISTRICT:** N/A

**ITEM REQUEST:** Schedule for Council Meeting

**TITLE OF AGENDA ITEM:** LETTER OF ENGAGEMENT - A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE AN ENGAGEMENT LETTER WITH THE FIRM OF CALER, DONTEN, LEVINE, PORTER & VEIL, P.A. TO REVIEW THE TOWN'S PAYROLL TIME KEEPING AND REPORTING SYSTEMS, REVIEW RELATED INTERNAL CONTROLS, AND TO PROVIDE RECOMMENDATIONS FOR IMPROVED EFFICIENCY, EFFECTIVENESS, AND STANDARDIZATION. \$12,000.00

**REPORT IN BRIEF:** Periodically the Town reviews its policies, procedures, and internal controls over different Town functions in an effort to maintain industry "best practices" and improve processes. Since payroll related expenditures represent such a significant portion of overall Town expenditures, an independent review of this area is necessary and prudent. Town management is interested in implementing suggestions to improve efficiency, effectiveness, and/or standardization over this key Town function.

**PREVIOUS ACTIONS:** N/A

**CONCURRENCES:** The Town Administrator, Budget & Finance Director and Human Resources Director all reviewed the attached engagement letter and concur with the proposed work.

**FISCAL IMPACT:** Yes

Has request been budgeted? Yes

If yes, expected cost: \$12,000.00

Account name and number: 001-1520-513-0306 and 051-2101-562-0320

Additional Comments:

**RECOMMENDATION(S):** Motion to approve resolution

**Attachment(s):** Resolution, Engagement Letter from Caler, Donten, Levine, Porter & Veil, P.A., State of Florida Corporation Information, W-9.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE AN ENGAGEMENT LETTER WITH THE FIRM OF CALER, DONTEN, LEVINE, PORTER & VEIL, P.A. TO REVIEW THE TOWN'S PAYROLL TIME KEEPING AND REPORTING SYSTEMS, REVIEW RELATED INTERNAL CONTROLS, AND TO PROVIDE RECOMMENDATIONS FOR IMPROVED EFFICIENCY, EFFECTIVENESS, AND STANDARDIZATION.

WHEREAS, the Town periodically reviews its policies, procedures, and internal controls over different Town functions in an effort to maintain industry "best practices"; and

WHEREAS, payroll related expenditures represent a significant portion of overall Town expenditures; and

WHEREAS, Caler, Donten, Levine, Porter and Veil, P.A. was chosen to review the Town's payroll time keeping and reporting systems, review related internal controls, and provide recommendations; and

WHEREAS, after review, Town Council wishes to accept the engagement letter from, Caler, Donten, Levine, Porter and Veil, P.A.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council of the Town of Davie does hereby authorize the Mayor to execute an engagement letter with Caler, Donten, Levine, Porter and Veil, P.A., which is attached hereto and identified as Attachment "A", to review the Town's payroll time keeping and reporting systems, review related internal controls, and provide recommendations.



R-Payroll Audit

SECTION 2. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,  
2010

\_\_\_\_\_  
MAYOR/COUNCILMEMBER

Attest:

\_\_\_\_\_  
TOWN CLERK

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010



CALER, DONTEN, LEVINE,  
PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
THOMAS A. PENCE, JR., CPA  
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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

January 4, 2010

Mr. William Ackerman, Budget and Finance Director  
Town of Davie  
6591 Orange Drive  
Davie, FL 33314

Dear Mr. Ackerman:

Thank you for the opportunity to meet with you and your staff to discuss the consulting project regarding the payroll process for the Town of Davie. This letter outlines our understanding of the terms and objectives of our engagement as discussed at that meeting.

We will document our understanding of the time keeping/reporting systems as they currently function, review and evaluate the Town's existing payroll policies, and make recommendations to management for ways to strengthen internal control over the payroll process. Our recommendations will include comments on ways to make the payroll time keeping/reporting system more efficient, effective and standardized. We would propose the following work plan:

1. Data Gathering
  - a. Review existing payroll policies.
  - b. Interview Town personnel (Department Directors, Finance staff/employees, and Department staff) responsible for the payroll and time keeping/reporting process and obtain an understanding of how each department is capturing and reporting employee time for their department.
  - c. Survey our existing governmental clients to determine any best practices or methods used to track and report employee time.
2. Document our understanding of the policies, procedures and controls relating to the payroll cycle from the point of accumulating time worked until the entry of this time into the payroll system for processing. Perform a walkthrough of the various types of payroll transactions to determine if existing policies are functioning as explained to us.
3. Test samples of historical payroll transactions to determine if the time reporting aspect of the payroll transaction is in compliance with existing internal controls, policies and procedures.
4. Evaluate opportunities to gain efficiencies and strengthen internal controls over the payroll and time keeping system.
5. Prepare a draft report of recommendations and review with management.
6. Finalize our report and recommendations.



Town of Davie  
Mr. William Ackerman  
January 4, 2010  
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In performing these services, we will require time from your staff to meet with us, answer questions, complete certain questionnaires, and provide copies of certain documents. The ultimate outcome of this project will be dependent upon the cooperation that we receive and the accuracy of the information the Town's staff provides to us. Please note that our engagement cannot be relied on to disclose errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that may exist. Furthermore, this consulting project is not designed to provide assurance on internal control.

We will document the results of this engagement in a written report. We recognize that any written report prepared by us is a public record, subject to inspection by members of the public upon request pursuant to Chapter 119, Florida Statutes (Florida Public Records Law). The goals, objectives, and recommendations presented in this report will be based on the Town's operations as they exist at the time of our engagement. If the Town's operations change in the future, the recommendations in our report might also need to be modified. However, we do not assume the responsibility for updating our report for such future events or circumstances that may occur subsequent to the date the report is issued.

We expect to complete this engagement by March 31, 2010, unless unforeseeable problems are encountered.

Our fees for this engagement will be based on the time spent at our standard hourly billing rates, plus any out-of-pocket expenses such as travel and delivery charges. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the engagement. Our current hourly rates are as follows: partner - \$275, manager - \$190, senior - \$130 and staff - \$110. We estimate that our fee for this project will be between \$9,000 and \$12,000, although the final fee will be based on the actual time spent at the rates listed above. Should we encounter unusual circumstances that would require us to expand the scope of the engagement; we will discuss this with you before doing the additional work. If, for any reason determined by us, we are unable to complete the services described above, we will not issue a report as a result of this engagement.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will be submitted to mediation upon written request of either party to the engagement. The party requesting mediation shall select the mediation provider from the list of mediation training providers approved by the Florida Supreme Court. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association or such other rules as may be agreed upon by the parties. The results of this mediation shall not be binding upon either party. Costs of any mediation proceeding shall be shared equally by both parties. In order to induce us to accept this engagement, you therefore agree that our liability for any negligent errors or omissions in the performance of the engagement will be limited to the amount of our fees for this engagement.

The audit documentation for this engagement is the property of Caler, Donten, Levine, Porter & Veil, P.A. and constitute confidential information. However, we may be requested to make certain audit documentation available to government agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of Caler, Donten, Levine, Porter & Veil, P.A. personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to government agencies. The government agencies may intend, or decide, to distribute the photocopies of information contained therein to others, including other agencies. In the event we are requested or authorized by you or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for you, you





Town of Davie  
Mr. William Ackerman  
January 4, 2010  
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agree, so long as we are not a party to the proceeding in which the information is sought, to reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request. The audit documentation for this engagement will be retained for a minimum of five years after the date of our report in accordance with CDL's document retention policies or for any additional period requested in writing by a government agency, after which it will be destroyed. By your signature below, you acknowledge and agree that CDL is free to destroy all records related to this engagement in accordance with our document retention policy. Furthermore, you authorize CDL to electronically submit to your employees or to others as you may request or as may be necessary to perform our engagement, any reports, workpapers, and other information related to our services under this agreement. By your signature below, you acknowledge and agree to hold CDL harmless from any damages that might be caused by the electronic transmission or submission of this data.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. If any portion of this agreement is held to be void, invalid, or otherwise unenforceable, in whole or in part, the remaining portions of this agreement shall remain in effect. The agreements between the Town of Davie and Caler, Donten, Levine, Porter & Veil, P.A. contained in this engagement letter shall survive the completion or termination of this engagement.

We sincerely appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Caler, Donten, Levine,  
Porter & Veil, P.A.*



Caler, Donten, Levine,  
Porter & Veil, P.A.

RESPONSE: The services and terms set forth in this letter are agreed to by the Town of Davie.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_



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<b>Detail by Entity Name</b>					
<b><u>Florida Profit Corporation</u></b>					
CALER, DONTEN, LEVINE, PORTER & VEIL, P.A.					
<b><u>Filing Information</u></b>					
Document Number	J80135				
FEVEIN Number	592831281				
Date Filed	06/29/1987				
State	FL				
Status	ACTIVE				
Effective Date	06/27/1987				
Last Event	AMENDMENT AND NAME CHANGE				
Event Date Filed	10/24/2008				
Event Effective Date	10/28/2008				
<b><u>Principal Address</u></b>					
SCOTT PORTER 505 S FLAGLER DR, SUITE 900 W PALM BCH FL 33401 US  Changed 07/18/2000					
<b><u>Mailing Address</u></b>					
SCOTT PORTER 505 S FLAGLER DR, SUITE 900 W PALM BCH FL 33401 US  Changed 07/18/2000					
<b><u>Registered Agent Name &amp; Address</u></b>					
CALER, WILLIAM K JR 505 S FLAGLER DR, SUITE 900 W PALM BCH FL 33401 US  Name Changed: 04/25/2007 Address Changed: 03/23/1993					
<b><u>Officer/Director Detail</u></b>					
<b><u>Name &amp; Address</u></b>					
Title DV  DONTEN, DAVID S 2334 PALM HARBOUR DR PALM BEACH GARDENS FL 33410 US  Title DV  LEVINE, JOEL H 2050 SUNDERLAND AVENUE WELLINGTON FL 33414 US  Title DV					

VEIL, MARK D  
107 WOODSMUIR COURT  
PALM BCH GARDENS FL 33418 US

Title DP

PORTER, SCOTT L  
14211 LITTLE CYPRESS CIRCLE  
PALM BEACH GARDENS FL 33410 US

Title DS

CALER, WILLIAM K JR  
234 DYER RD  
WEST PALM BEACH FL 33405 US

### **Annual Reports**

Report Year	Filed Date
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2007	04/25/2007
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2008	04/16/2008
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2009	04/30/2009
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### **Document Images**

[04/30/2009 -- ANNUAL REPORT](#)

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[04/16/2008 -- ANNUAL REPORT](#)

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**Request for Taxpayer  
Identification Number and Certification**

Give form to the  
requester. Do not  
send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name <b>Caler, Donten, Levine, Porter &amp; Veil, P.A.</b>	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	<input type="checkbox"/> Exempt from backup withholding
Address (number, street, and apt. or suite no.) <b>505 South Flagler Drive Ste 900</b>	Requester's name and address (optional) <b>Town of Davie</b>
City, state, and ZIP code <b>West Palm Beach, FL 33401</b>	
List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN).  
**However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 3.

**Note:** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
or								
Employer identification number								
5	9	2	8	3	1	2	8	1

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
- I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here	Signature of U.S. person ▶ <i>Nancy Margagliano</i>	Date ▶ <i>11/7/2010</i>
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**Purpose of Form**

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

**Note:** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Foreign person.** If you are a foreign person, use the appropriate Form W-8 (see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

- The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
- The treaty article addressing the income.
- The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
- The type and amount of income that qualifies for the exemption from tax.
- Sufficient facts to justify the exemption from tax under the terms of the treaty article.